

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 24, 2008

WATER CONTROL

2008 JAN 24 P 1:51

APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUE-2007-00113

For a certificate of public convenience and necessity to construct and operate a 138 kV double circuit transmission line and substation in Botetourt County, Virginia

ORDER FOR NOTICE AND HEARING

On December 5, 2007, Appalachian Power Company ("Appalachian" or "Company") filed with the State Corporation Commission ("Commission") an application for a certificate of public convenience and necessity to construct and operate a 138 kV double circuit transmission line and substation in Botetourt County, Virginia. Prepared testimony, exhibits, copies of correspondence, and other material were attached to the application.

Appalachian proposes to tap its existing Roanoke-Cloverdale 138 kV transmission line and to construct a 3.3 mile double circuit 138 kV extension from the existing line to a new substation to be constructed in the Lake Forest area of Botetourt County. According to the Company, the purpose of the project is to maintain reliable service to the rapidly growing electric load in the Lake Forest area of Botetourt County and adjacent areas of southern Botetourt County, eastern Roanoke County, and western Bedford County. A description of the proposed route appears in Ordering Paragraph (12) of this Order, and a sketch map of the route may be found in Exhibit 15 attached to the application.

As provided by § 62.1-44.15:21 D 2 of the Code of Virginia ("Code"), the Commission and the State Water Control Board must consult on wetland impacts prior to the siting of electric utility facilities that require a certificate of public convenience and necessity. In accordance with

the Department of Environmental Quality ("DEQ")-State Corporation Commission Memorandum of Agreement Regarding Consultation on Wetland Impacts (July 2003) (hereinafter, "Wetland Impacts Memorandum"), entered into pursuant to § 62.1-44.15:21 D 2 of the Code, DEQ, acting on behalf of the State Water Control Board, filed a letter dated October 9, 2007, advising that DEQ had reviewed the transmission line project.¹ DEQ recommended the use of alignments that would include segments C, D, J, L, O, T, U, and X because these segments are the least environmentally damaging. DEQ also recommended that segments G, M, and S be avoided. Finally, DEQ provides that should state waters, including wetlands, be impacted by this project, then Virginia Water Protection ("VWP") permitting may be required.²

In addition to wetland impacts, § 56-46.1 of the Code provides for the Commission to receive and to consider reports on the proposed facilities from state environmental agencies. The Commission Staff has formally advised the DEQ that Appalachian filed an application to construct a 138 kV transmission line in Botetourt County and requested the DEQ to coordinate an environmental review of the project.³ By letter dated January 10, 2008, the DEQ informed the Commission Staff that it would coordinate a review of the environmental impact of the proposed transmission line and provide a report no later than March 7, 2008.⁴

¹ Letter from David L. Davis, Department of Environmental Quality, of October 9, 2007, to Wayne N. Smith, State Corporation Commission, filed in Case No. PUE-2007-00113, Doc. Con. Cen. No. 390561.

² The October 9, 2007 letter from DEQ is contained in the application as Attachment 11. The Company states it has incorporated the DEQ recommendations in the preferred 500-foot corridor to the extent feasible. See § 5.6 Environmental Impact Analysis of the Company Response to Guidelines filed with this application. Study Segments submitted by the Company in this application are found in Exhibit 20.

³ Letter from Raymond L. Doggett, Jr., State Corporation Commission, of December 21, 2007, to Michael P. Murphy, Department of Environmental Quality, filed in Case No. PUE-2007-00113, Doc. Con. Cen. No. 391252.

⁴ Letter of January 10, 2008, from Ellie L. Irons, Department of Environmental Quality, to Raymond L. Doggett, Jr., State Corporation Commission, filed in Case No. PUE-2007-00113, Doc. Con. Cen. No. 391858.

The Commission finds that, as provided by §§ 56-46.1, 56-265.2, and related provisions of the Code, this matter should be docketed and that the Company should give notice of its application to interested persons and the public. The Commission further finds that, as required by § 62.1-44.15:21 D 2 of the Code, consultation on wetland impacts has concluded, and the DEQ has commenced its coordinated environmental review of the proposed transmission line. The Commission will therefore establish a procedural schedule for the filing of comments, notices of participation, and schedule a hearing on the application. We will also direct the Commission Staff to investigate the application and to file testimony and exhibits on the results of its investigation.

Accordingly, IT IS ORDERED THAT:

(1) As provided by §§ 56-46.1, 56-265.2, and other related provisions of Title 56 of the Code, this matter be docketed as Case No. PUE-2007-00113 and all associated papers be filed therein.

(2) As provided by § 12.1-31 of the Code and the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-120, *Procedure before Hearing Examiners*, a hearing examiner be appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

(3) A public hearing on the application shall be held at 10:00 a.m. on June 2, 2008, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive the testimony of public witnesses and the evidence of the Company, any Respondents, and the Staff.

(4) As provided by the Rules of Practice, 5 VAC 5-20-80 C, *Public witnesses*, written comments on the application may be filed, on or before June 2, 2008, by either of the following methods:

A. Comments may be submitted in writing to Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Compact discs or any other form of electronic storage medium may not be filed with comments. All correspondence and comments shall refer to Case No. PUE-2007-00113.

Or

B. Comments may be submitted electronically by following the instructions available at the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>.

(5) On or before March 28, 2008, any person or entity may file with the Commission Clerk, at the mailing address provided in Ordering Paragraph (4) A, an original and fifteen (15) copies of a notice of participation as a respondent as required by the Rules of Practice, 5 VAC 5-20-80 B, *Participation as a respondent*. A copy shall simultaneously be served on counsel to the Company, George J.A. Clemo, Esquire, WoodsRogers PLC, Dominion Tower, 10 South Jefferson Street, Suite 1400, P.O. Box 14125, Roanoke, Virginia 24038-4125. The notice of participation shall be filed and served as required by the Rules of Practice, 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies and format*. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by the Rules of Practice, 5 VAC 5-20-30, *Counsel*.

(6) Within five (5) business days of receipt of a notice of participation as a respondent as required by Ordering Paragraph (5), the Company shall serve upon the respondent a copy of this

Order and a copy of the application and the Company's direct testimony and exhibits, unless these materials have already been provided to the respondent.

(7) On or before April 14, 2008, each respondent may file with the Commission Clerk an original and fifteen (15) copies of the testimony and exhibits by which it expects to establish its case and serve a copy of the testimony and exhibits on the Company and all other parties in this case. Respondents shall comply with the Rules of Practice, 5 VAC 5-20-140, *Filing and service*, 5 VAC 5-20-150, *Copies and format*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*.

(8) As provided by the Rules of Practice, 5 VAC 5-20-80 D, *Commission staff*, Staff shall participate in this proceeding and conduct an investigation of the Company's application. On or before May 5, 2008, the Staff shall file with the Commission Clerk the testimony and exhibits it intends to present at the hearing.

(9) On or before May 19, 2008, the Company may file with the Commission Clerk an original and fifteen (15) copies of any rebuttal testimony and exhibits that it expects to offer and shall serve a copy on all parties and the Staff.

(10) On or before March 7, 2008, Appalachian shall serve a copy of this Order on the chairman of the board of supervisors of Botetourt County and the mayor of every city and town through which the proposed transmission line is to be built. Service shall be made by first-class mail or delivery to the customary place of business of the person served.

(11) On or before March 7, 2008, the Company shall cause to be sent by first-class mail a copy of the notice and sketch map prescribed in Ordering Paragraph (12) of this Order to all owners of property within the route of the proposed line, as indicated on the map or sketch of the route filed with the Commission, which requirement shall be satisfied by mailing to such persons at such

addresses as are indicated in the land books maintained by the commissioner of revenue, director of finance, or treasurer of the county or municipality.

(12) On or before March 7, 2008, the Company shall publish twice in two (2) successive weeks the following notice and sketch map of the proposed route appearing in Exhibit 15 of the application, as display advertising (not classified) in a newspaper or newspapers of general circulation in Botetourt County:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
APPALACHIAN POWER COMPANY
FOR APPROVAL OF A TRANSMISSION LINE IN
BOTETOURL COUNTY, VIRGINIA
CASE NO. PUE-2007-00113

On December 5, 2007, Appalachian Power Company ("Appalachian" or "Company") filed with the State Corporation Commission ("Commission") an application for a certificate of public convenience and necessity to construct and operate a 138 kV double circuit transmission line and substation in Botetourt County, Virginia. Prepared testimony, exhibits, copies of correspondence, and other material were attached to the application.

Appalachian proposes to tap its existing Roanoke-Cloverdale 138 kV transmission line and to construct a 3.3 mile double circuit 138 kV extension from the existing line to a new substation to be constructed in the Lake Forest area of Botetourt County. According to the Company, the purpose of the project is to maintain reliable service to the rapidly growing electric load in the Lake Forest area of Botetourt County and adjacent areas of southern Botetourt County, eastern Roanoke County, and western Bedford County.

A description of the route for the proposed transmission line follows:

The proposed route for the 3.3 mile 138 kV double circuit extension taps an existing transmission line at a location approximately one-third of a mile east of U.S. Route 220A, two miles south of Cloverdale, and three miles north of Bonsack. From the tap location, the proposed route travels northeast

through a wooded area and around the northern slope of Coyner Mountain. The route continues northeast across Mountain Pass Road, north of the Lake Forest community, and proceeds across an open field. The route then turns south and terminates at the proposed substation site located within a wooded lot approximately 1200' north-northeast of the intersection of Laymantown Road and Mountain Pass Road.

All distances and directions are approximate. A sketch map of the proposed route accompanies this notice. The Commission may consider a route not significantly different from the route described in this notice without additional notice to the public.

The Company's application, Commission Orders, and all documents filed in Case No. PUE-2007-00113 may be inspected in the Commission's Document Control Center, Office of the Clerk of the Commission, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, during Commission business hours. The application, unofficial text of the Commission's Orders, and other materials in Case No. PUE-2007-00113 may be viewed at the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>.

Copies of the application and other supporting materials may also be inspected during regular business hours at the following locations:

Blue Ridge Library
28 Avery Row
Roanoke, Virginia 24012

Botetourt County Administrator's Office
1 West Main Street
Fincastle, Virginia 24090

This application, exhibits, and maps are also available at the Appalachian Power Company public website:
<http://www.appalachianpower.com/news/transmissionprojects/LakeForest/default.asp>.

Comments may be submitted in writing, on or before June 2, 2008, to the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Diskettes, compact disks, or any other form of

electronic storage medium may not be filed with comments. All correspondence shall refer to Case No. PUE-2007-00113.

OR

Comments may be submitted electronically, on or before June 2, 2008, by following the instructions available at the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>. Persons commenting electronically need not file comments in writing with the Clerk.

A public hearing on the application shall be held at 10:00 a.m. on June 2, 2008, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive the testimony of public witnesses and the evidence of the Company, any responses, and the Staff.

On or before March 28, 2008, any person or entity may file with the Commission Clerk, at the mailing address provided in Ordering Paragraph (4) A, an original and fifteen (15) copies of a notice of participation as a respondent as required by the Rules of Practice, 5 VAC 5-20-80 B, *Participation as a respondent*. A copy shall simultaneously be served on counsel to the Company, George J.A. Clemo, Esquire, WoodsRogers PLC, Dominion Tower, 10 South Jefferson Street, Suite 1400, P.O. Box 14125, Roanoke, Virginia 24038-4125. The notice of participation shall be filed and served as required by the Rules of Practice, 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies and format*. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by the Rules of Practice, 5 VAC 5-20-30, *Counsel*.

On or before April 14, 2008, each respondent may file with the Commission Clerk an original and fifteen (15) copies of the testimony and exhibits by which it expects to establish its case and serve a copy of the testimony and exhibits on all other parties in this case. Respondents shall comply with the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-140, *Filing and service*, 5 VAC 5-20-150, *Copies and format*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*.

The Commission's Rules of Practice, the unofficial version of the Commission's Order for Notice and Hearing, and other information may be viewed at <http://www.scc.virginia.gov/caseinfo.htm>.

APPALACHIAN POWER COMPANY

(13) On or before April 3, 2008, the Company shall file with the Commission Clerk a certificate of the mailing of notice prescribed by Ordering Paragraph (10). The certificate shall include the name and address of the officials served.

(14) On or before April 3, 2008, Appalachian shall file with the Commission Clerk a certificate of mailing of the notice to owners of property prescribed by Ordering Paragraph (11). The certificate shall not include the names and addresses of the owners of property served, but the Company shall maintain a record of this information.

(15) On or before April 3, 2008, Appalachian shall file with the Commission Clerk proof of the newspaper publication directed by Ordering Paragraph (12).

(16) Appalachian shall respond to written interrogatories or data requests within ten (10) business days after receipt of same. Except as modified, discovery shall be in accordance with the Commission's Rules of Practice.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
George J.A. Clemo, Esquire, WoodsRogers PLC, Dominion Tower, 10 South Jefferson Street, Suite 1400, P.O. Box 14125, Roanoke, Virginia 24038-4125; C. Meade Browder, Jr., Senior Assistant Attorney General, Office of the Attorney General, Division of Consumer Counsel, 900 East Main Street, Second Floor, Richmond, Virginia 23219; and the Commission's Office of General Counsel and Divisions of Energy Regulation, Economics and Finance, and Public Utility Accounting.